

## Message Text

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PAGE 01 SANTIA 07536 032127Z

12

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 AID-05

EB-07 /069 W

----- 121463

R 032114Z AUG 76

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 668

C O N F I D E N T I A L SANTIAGO 7536

E.O. 11652: GDS

TAGS: ECIN CI

SUBJECT: BARANDEIRAN ON ANDEAN PACT ISSUES

FOR ARA/JOSEPH GRUNWALD

REF: A) STATE 187151; B) SANTIAGO 3458

1. CHARLES FRANK DID NOT HAVE OPPORTUNITY TO RAISE MATTER OF CHILEAN ATTITUDE TOWARD ANDEAN PACT. ATTITUDE HAS NOT CHANGED FROM PREVIOUS EMBASSY REPORTING.

2. WHEN VIEWED FROM SANTIAGO, USG SUPPORT FOR ANDEAN PACT PRESENTS SPECIAL PROBLEMS. CHILEANS OBSERVE THAT THEIR POSTURE WITHIN THE PACT IS ONE OF DEFENDING ECONOMIC PRINCIPLES WHICH USG ITSELF HAS ADVOCATED IN OTHER CONTEXTS. THESE INCLUDE A WELCOME TO FOREIGN INVESTMENT WITHOUT DISTORTIONS AND DETERRENTS RESULTING FROM ONEROUS EQUITY DIVESTMENT AND PROFIT REPATRIATION PROVISIONS, TOGETHER WITH LOWEST POSSIBLE TARIFF BARRIERS IN ORDER TO PUT PAID IN INEFFICIENT HIGH COST IMPORT SUBSTITUTION INDUSTRIES. CHILEANS FEEL STRONGLY ABOUT ENDING INVESTMENT RESTRAINTS, ARE PREPARED TO BE MORE FLEXIBLE ON TARIFF ISSUE.

3. CHILEANS HOPE TO REMAIN WITHIN THE PACT IN ORDER TO REFORM IT FROM WITHIN. SO FAR, THEY HAVE BEEN HIGHLY SUCCESSFUL IN MAINTAIN-  
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PAGE 02 SANTIA 07536 032127Z

ING THEIR FREEDOM OF ACTION AND MEMBERSHIP AT THE SAME TIME. THEY

ARE, HOWEVER, INCREASINGLY AWARE OF THEIR NATURAL TRADE AFFINITIES  
WITH ARGENTINA WHICH, WHILE NOT NECESSARILY INCONSISTENT WITH CON-  
TINUED MEMBERSHIP IN THE PACT, SERVE TO STRENGTHEN THE CHILEAN  
DETERMINATION TO PURSUE THEIR OWN ECONOMIC GOALS WITHIN IT.  
POPPER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DIPLOMATIC DISCUSSIONS, RELATIONS WITH REGIONAL ORGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 AUG 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976SANTIA07536  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760299-1039  
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**Original Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 76 STATE 187151, 76 SANTIAGO 3458  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 14 JUL 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <14 JUL 2004 by ShawDG>; APPROVED <27 OCT 2004 by CunninFX>  
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EO Systematic Review  
04 MAY 2006

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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BARANDEIRAN ON ANDEAN PACT ISSUES FOR ARA/JOSEPH GRUNWALD  
**TAGS:** ECIN, CI, ANCOM  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006